

City of Culver City, California
Agenda Item Report

Meeting Date: 04/02/12

Item Number: A-1

CITY COUNCIL AGENDA ITEM: Consideration of an Amendment to the Commitment Letter with Regency Centers Acquisition LLC for the Sale and Redevelopment of City Owned Property at the Northerly Corners of the Washington Boulevard and Centinela Avenue Intersection.

Contact Person / Department:
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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐

Action Item: ☒

Attachments: ☒

Commission Action Required: Yes ☐ No ☒

Date: _____

Public Notification (E-Mail) Redevelopment Agency Projects (03/30/12); (E-Mail) Meetings and Agendas – City Council and Redevelopment Agency (03/30/12); (E-Mail) The Advisory Committee on Redevelopment (03/30/12); (E-Mail and by Telephone) Members of the public who attended the August 20, 2011 Open House and August 31, 2011 community meeting and/or pulled speaker cards on the topic (03/30/12); The Culver West Neighborhood Association (03/30/12); (E-Mail) The Herbert Street Homeowners Association (03/30/12); (E-Mail) The Culver Triangle Neighborhood Association (03/30/12)

Department Approval:
 Sol Blumenfeld: (03/30/12)

City Special Counsel Approval:
 Murray Kane: (03/30/12)
 City Attorney Approval:
 Carol Schwab (by H. Baker) (03/30/12)

Chief Financial Officer Approval:
 Jeff Muir (03/30/12)

Executive Director Approval:
 John M. Nachbar: (03/30/12)

RECOMMENDATION:

Staff recommends the City Council approve an amendment to the Commitment Letter with Regency Centers Acquisition, LLC (Regency) to extend the due diligence period by 60 days for the City owned property located on the northeast and northwest corners of the Washington Boulevard and Centinela Avenue intersection (Property) for development of a Market Hall.

BACKGROUND:

On June 27, 2011, the City Council approved redevelopment of the Property as a Market Hall with specialty retail and artisanal food vendors in a uniquely designed Market Hall (the Project). The Market Hall will be a place-making development that will complement efforts to improve West Washington Boulevard and has been embraced by the community. A low rise public parking structure (1.5 – 2 stories) will also be constructed by the City to provide parking for the Project and the commercial area.

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On February 13, 2012 the City Council authorized entering into a Commitment Letter with Regency to sell the Property to develop the Market Hall and authorized entering into an agreement with International Parking Design for the public parking structure.¹

DISCUSSION:

The Commitment Letter requires Regency to complete its due diligence review, including a feasibility analysis of the Project and review of the Property's environmental and geotechnical documents within a 45-day period. Regency requires additional time to complete its analysis of the Market Hall size and tenancing to ensure the long-term success of the Project. Regency has requested the study period be extended by 60 days to provide sufficient time to complete the process (to May 30, 2012).

FISCAL ANALYSIS:

There is no financial impact to extending the period for Regency to complete their due diligence.

MOTION:

That the City Council:

1. Approve an amendment to the Commitment Letter with Regency Centers Acquisition, LLC extending the due diligence period from 45 days to 105 days; and
2. Authorize City Special Counsel/City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.

NOTES:

¹The Commitment Letter dated 2/13/2012 with Regency includes the following terms:

- A land offer of \$1,278,950, plus an additional \$1,134,000 (a total of \$2,412,950) for \$684,000 of offsite improvements including neighborhood traffic calming measures; and \$250,000 for aerial utility relocation related to the 217-space parking garage and Market Hall; and \$200,000 for construction management fees for the public parking structure at no cost to the City.
- Regency agrees to construct the Market Hall as outlined in the Request for Proposals and agrees to hire JRDV Architects, the firm who prepared the conceptual plans and preliminary design studies.
- Regency agrees to pay prevailing wages for Project construction.